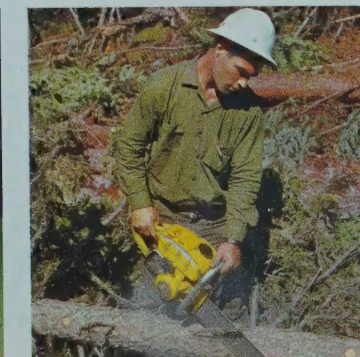
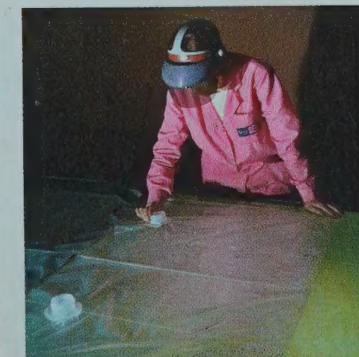
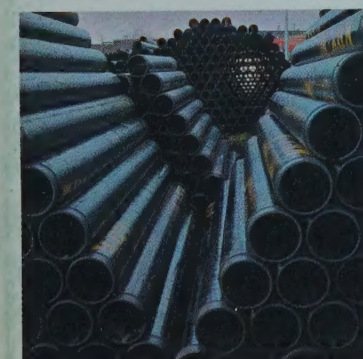
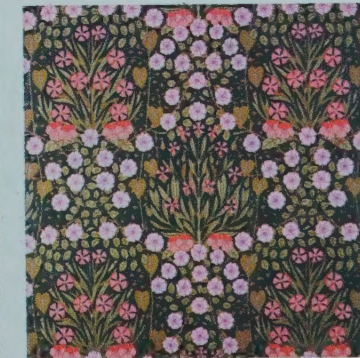
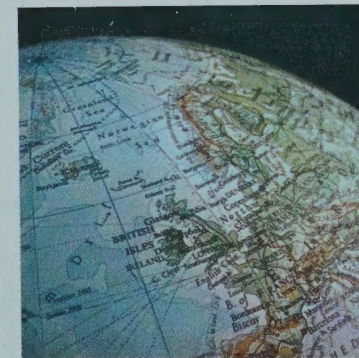
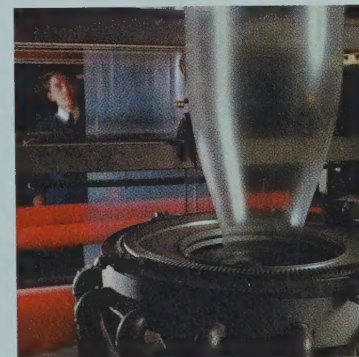
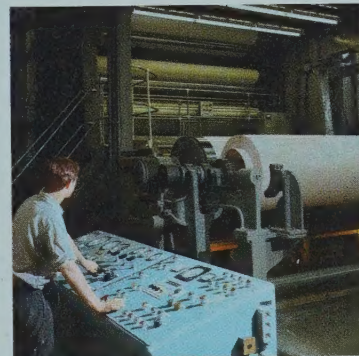
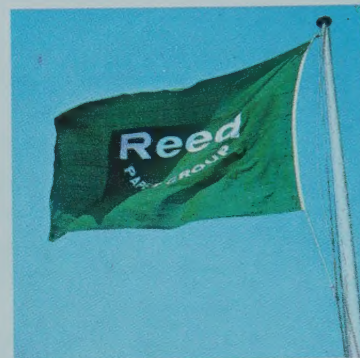


AR44

# Reed Paper Group Limited Annual Report Year ended 31 March 1966





The illustrations in this Annual Report and Accounts are a fleeting glimpse of the Reed Paper Group's worldwide activities

## Covers

Sample boards for batch testing gloss paint	Awaiting a cargo of Anglo-Canadian newsprint	Grinding pigments for water paint	The Reed Paper Group house flag
Spicers 16 UK warehouses handle 1500 orders a day	Polycell products for the do-it-yourself decorator	A £2m trailing blade machine at Imperial Paper Mills produces high finish coated papers	A Field, Sons & Company Limited carton designer at the Killingworth factory
When the river thaws the pulpwood floats down to the mills	Paper testing apparatus designed by Group technicians	Extruding polythene film at Reed Polyfilms Limited	Machine house and digesters at the new \$86,000,000 Prince George Pulp and Paper Mill, Canada
Choosing a fabric at the Sanderson showrooms, Berners Street, London	In Canada planes are used for fire patrol, road location and aerial photography	The Reed Paper Group is a United Kingdom based international organisation	Traditional fabric design is given fresh appeal with modern colourings
Pitch fibre pipes made by Key Terrain Limited	Paper is usually delivered by road in Britain	Checking the polythene bags for use with corrugated cases as liquid containers	A modern woodcutter in a Canadian forest

## Page 4

Routing the waste from a wallpaper printing roller	Pattern of hearts sets a romantic mood in this Crown wallpaper	Manufacturing polythene sacks	Truck picking up a trailer load of pulpwood for Prince George Pulp and Paper Mill, Canada
Prince George Pulp and Paper Mill is in British Columbia	Removing multiwall paper sacks from a sewing line at Reed Medway Sacks Limited	WPM Paint Division products	Adding pigment to a paint factory pug-mill
Adjusting the draw on a machine calender at Cowan's Pomathorn Mill	Spicers new Cambridge range of notebooks and duplicate and triplicate books	Checking the tension of the board as it passes through a corrugating machine	A paper machine control room at Aylesford Paper Mills, Kent
Corrugated board before the second 'face' is added	Fabrics displayed at the Sanderson world-renowned London showrooms	Accelerated weather tests for paint include salt spray and ultra violet light	Polycell do-it-yourself home decorating products
A consignment of Duscript, the new carbonless paper	Fabric printing rollers	Extruding Key Terrain PVC pipes at L. & P. Plastics	WPM Paint Division have vehicles in their own livery

## Page 7

Putting the finishing touches to a fabric printing screen	No. 13 machine at Aylesford Paper Mills, Kent, is one of the most modern in Britain	Polycell products include LAP and Lapcell paste	Checking a case off a printer-slotter at a Reed Corrugated Cases factory
The Group has about 50,000 employees	Electronic equipment at the Research & Development Department, New Hythe, Kent	Making a wallpaper printing roller by hand	Checking the medical history of a new employee in the surgery of a Reed factory
Anglo-Canadian paper being exported	A model prepared to demonstrate a Walpamur colour scheme	Residences of Dryden Mill employees	Glue-lapping is a modern method of closing a case
The Group manufactures a wide range of products in Australia	Envelopes being made at Spicers Australian factory	WPM have over 700 shops in Britain	Finished products coming off a bag-making machine at Reed Polyfilms Limited
Unloading a truck of pulpwood at Dryden Pulp and Paper Mill, Ontario	Corrugated fibreboard cases are usually delivered by road	Anglo-Canadian newsprint being shipped	Making polythene bags for the Reed Polygal liquid packs in corrugated fibreboard cases







# Annual Report

## Year ended 31 March 1966

### Directors

Cecil H. King, Chairman  
S. T. Ryder, Managing Director  
P. H. Sykes, Deputy Managing Director  
W. F. Amies  
C. H. Austin  
T. E. G. Baker  
H. W. Broad  
R. N. Burnham  
G. H. Cartwright  
F. J. Rogers  
W. E. Soles  
R. W. T. Suffern  
G. S. G. Witherington  
Sir Richard E. Yeabsley CBE

### Secretary

J. R. V. Forster

### Registered Office

Reed House, 82 Piccadilly, London W1

### Transfer Offices

Tudor Registrars Limited, 29 London Road, Bromley, Kent  
Montreal Trust Company, 777 Dorchester Blvd, Montreal 2

### Auditors

J. H. Champness, Corderoy, Beesly & Co.  
Chartered Accountants

### Group's operations

The Reed Paper Group is a United Kingdom based international organisation principally involved in the manufacture of pulp and paper and its conversion into packaging products and wallpaper.

The Group is the biggest producer of paper and paper packaging in Europe and is one of the largest paper merchanting organisations in the world. In the United Kingdom it is the major producer of corrugated fibreboard cases and is a substantial manufacturer of multiwall paper sacks, cartons, plastic packaging and stationery.

The Group embraces The Wall Paper Manufacturers Limited, and produces most of Britain's wallpaper, much of which is sold through its 750 shops and branches. Other WPM products include paint and furnishing fabrics. The Group also includes the Polycell organisation, well known for its range of products for the decorating market, both in the UK and overseas.

Reed has interests in the building industry, manufacturing half the UK output of pitch fibre pipe for drains, conduit, etc, and also plastic products.

Overseas Reed has investments and interests in more than 40 countries and has especially important pulp, paper and packaging operations in Canada.

## Notice of meeting

Notice is hereby given that the Sixty-Third Annual General Meeting of the Company will be held at Reed House, 82 Piccadilly, London W1, on Wednesday, 27 July 1966 at 12 noon.

To receive the Directors' Report and Statement of Accounts for the year ended 31 March 1966

To declare a Dividend

To elect Directors

To fix the remuneration of the Auditors

To transact any other Ordinary Business of the Company

A holder of Ordinary Shares is entitled to appoint one or more proxies to attend and, on a poll, vote in his place. Such proxy need not be a member of the Company.

By Order of the Board  
J. R. V. Forster, Secretary

Reed House, 82 Piccadilly, London W1  
4 July 1966

The final dividend for the year will be payable on 5 August 1966, to Ordinary shareholders registered in the books of the Company on 20 June 1966.

### Finance Act, 1965

The Company is not a 'close company' as defined under this Act.

The market values of the Company's stocks and shares at 6 April 1965 for the purposes of the long term capital gains tax were:

Ordinary Shares	51s 6d
4½% Cumulative Redeemable Preference Shares	12s 9d
5½% Cumulative Redeemable Preference Shares	15s 9d
3½% First Mortgage Debenture Stock 1956/91	72½
4½% Debenture Stock 1979/84	80
6% Debenture Stock 1979/84	91
6¾% Debenture Stock 1987/92	100



## Report of the directors

The Balance Sheet of the Company and the Group Balance Sheet at 31 March 1966, together with the Group Profit and Loss Account for the year ended on that date, are attached.

The Group profit for the year after charging taxation, attributable to the shareholders, was £11.5 million. The Directors recommend payment of a Final Ordinary Dividend in respect of the year ended 31 March 1966, of 8%, less income tax, which together with the Interim Dividend of 5%, less income tax, paid on 18 December 1965, and the second Interim of 4%, less income tax, paid on 4 April 1966, makes a total of 17% for the year, the same as for the previous year.

The Company issued £10 million 7½% debenture stock, 1987/92 in July 1965, the proceeds of which were utilised in repaying bank borrowings.

The Company acquired the whole of the issued Ordinary capital of Alex. Cowan and Sons Limited for a cash consideration of £1.9 million.

During the year the Company also acquired the balance of the issued share capital of K.L. Holdings Limited, not already held by its subsidiary, The Wall Paper Manufacturers Limited, for a consideration which was satisfied by the issue of 573,770 Ordinary shares in the Company credited as fully paid. K.L. Holdings Limited owns all the issued share capital of Shand Kydd Limited and John Line & Sons Limited.

Reed Paper Group Canada Limited has agreed to subscribe Can. \$7.5 million for 37½% of the equity share capital and subordinated debentures of Intercontinental Pulp Company Limited. Intercontinental is constructing a pulp mill in British Columbia, adjacent to the Prince George Pulp and Paper Mill, which is expected to commence production in 1968. Attention is drawn to the notes attached to the Group Accounts concerning the guarantees given in respect of the financing of this project.

During the year Reed Paper Group Canada Limited issued a Can. \$17.5 million 6½% debenture 1985 guaranteed by the Company. The proceeds will be utilised towards financing its investment in the Prince George and Intercontinental companies and additional capital expenditure for one of its subsidiaries, Gulf Pulp and Paper Company.

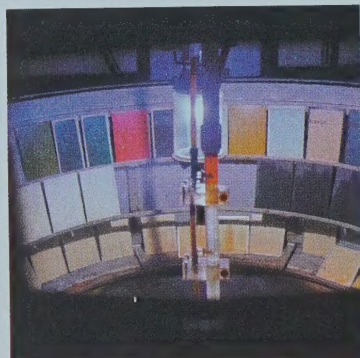
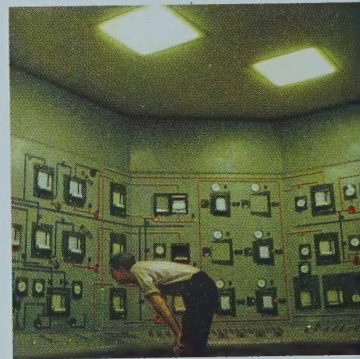
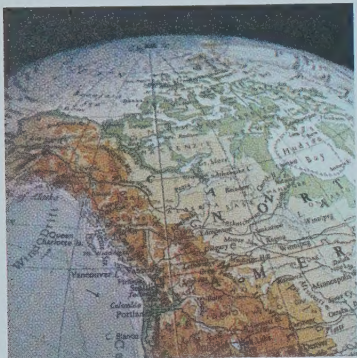
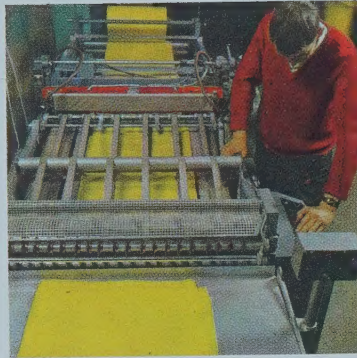
Mr Cecil H. King, Mr W. E. Soles, Mr G. H. Cartwright and Mr T. E. G. Baker retire by rotation in accordance with the Articles of Association and, being eligible, offer themselves for re-election. Mr L. S. Dougal has resigned from the Board since the last Annual General Meeting.

The Auditors, Messrs J. H. Champness, Corderoy, Beesly & Company are re-appointed under the provisions of Section 159 of the Companies Act, 1948. A Resolution to provide for the Directors to fix the Auditors' remuneration will be proposed at the forthcoming Annual General Meeting.

By Order of the Board  
J. R. V. Forster, Secretary

Reed House, 82 Piccadilly, London W1  
31 May 1966







## Chairman's statement

### The Year's Results

The Group again achieved record sales and profits. For the second year in succession the figures were some 50% above those for the preceding year.

The year's increases in both sales and profits were due mainly to acquisitions, notably those of The Wall Paper Manufacturers Ltd and Polycell Holdings Ltd. Group external sales totalled £226.1 million, compared with £149.2 million for the previous year. Profits before charging loan interest, depreciation and taxation were £10.1 million higher at £30.6 million. Profits after loan interest and depreciation, but before taxation, amounted to £19.4 million, an increase of £6.1 million. The figures for 1965-66 include 12 months' UK profits from The Wall Paper Manufacturers Ltd, 9 months' from its overseas companies and 10 months' profits from Polycell Holdings Ltd. After charging the interest payable on the cash element of the purchase consideration, the pre-tax profits included from these acquisitions were £7.0 million. No profits have been brought in from Alex. Cowan & Sons Ltd, which was acquired on 30 December 1965.

In accordance with the statement which they made in February this year, the Directors recommend payment of a Final Ordinary Dividend of 8%, which together with the two Interim Dividends already paid, makes a total of 17% for the year, the same rate as last year but on greatly increased capital.

### United Kingdom

#### Paper and Board

During the year the ordinary shareholders of Alex. Cowan & Sons Ltd, on the recommendation of their Board, accepted our offer to acquire their shares. We welcome to the Group this well known and long established Scottish papermaker whose writing, printing and specialised papers and other activities complement our own in the UK and overseas. The Managing Director of Cowans, Mr. A. E. R. Taylor, has joined the Boards of Reed Paper & Board (UK) Ltd, and Spicers Ltd.

The papermaking operations of WPM have also been brought within the ambit of the Group's home paper and board organisation and Mr. J. Lomax has joined the Board of Reed Paper & Board (UK) Ltd.

The advantage of this grouping of 13 mills with 57 paper machines lies in the co-ordination of marketing, production and future planning, whilst maintaining the individual mills' specialised products, and confidential customer relationships.

Sales tonnage and sales values, excluding those of recent acquisitions, ran slightly above the levels of the previous year. This limited growth was due to two factors: our machines were already running close to capacity when the import surcharge was imposed; and we have continued to effect major plant modifications in preparation for the transfer of sack kraft manufacture to Prince George, British Columbia, later this year and for the expansion of the UK production of grades which will be viable in the new conditions of tariffs and trade. Similarly, the production of fine papers has been increased and that of newsprint reduced.

These moves, although phased to enable supplies to be maintained, have necessarily had an adverse effect on profits.

We introduced two new major product lines during the year—Spicers Interplus, the revolutionary comprehensive range of uncoated banks, bonds, printing and duplicating papers, and the coated printing papers from our new trailing blade coating machine.

Both these innovations have already proved themselves to be a great success technically and are being developed to their full profitability as rapidly as possible. This reorientation of paper production which will continue in 1966-67 is vital to the long-term future of the Company's paper and board activities.

We are pleased at the progress now being made in changing our pattern of mill working from the traditional 3-shift system to one of continuous operation. These arrangements are the outcome of careful preparation, involving the closest co-operation between Management and Unions. They signify an important step forward in the more efficient utilisation of our assets.

Spicers has maintained its home sales but competitive pressures on margins, together with the high costs of moving some production units to new premises, has reduced profits in the UK.

Our long-term plans are being pursued. These take account of the abolition of the import surcharge in November 1966 and the final removal of EFTA tariffs in January 1967. We shall continue with the consolidation of our UK paper and board activities and the further sharpening of efficiencies. We regret that the natural handicaps to which UK producers are subject, and which raise the cost of certain manufacturing operations above those of Scandinavian and Canadian producers, continue to be increased by the tax imposed on oil and that added burdens will soon arise from the Water Resources Act.



## Packaging

It has been a year of remarkable progress in packaging. Fields, the Carton Division of Reed, has opened a new factory at Killingworth near Newcastle upon Tyne, concentrating there the activities formerly conducted at 8 different locations, and is now satisfying increased demands for its products. Changes of this kind necessarily disrupt production and incur expense. Fields, with other factories at Bradford and Thatcham, has nevertheless substantially increased its profits.

Reed Corrugated Cases has also had another record year during which it has opened a large new branch at Lydbrook, Gloucestershire, and production is now well established. The West Hartlepool factory, set up only two years ago, is to be further extended. The increased sales have lifted the Company's profits above the record level of the previous year, but margins have been reduced.

The year has been one of intense competition for Reed Medway Sacks, with severe pressure on margins and drastic price cutting. Sales nevertheless increased and a number of new uses for multiwall paper sacks were developed. Overall profits were down, however, and may not fully recover in the current year.

Reed Polyfilms has progressed significantly during the year but is not yet earning profits. The company produces plastic sheet, film and bags. This is an increasingly important activity and a substantial expansion will shortly be completed.

## Wallpaper, Paint and Building Products

The year has been a challenging one. A great deal of reorganisation and replanning of marketing and manufacturing activity has been started, and will continue over a long period. Encouraging results have already been achieved, and the year's profits were the highest ever in the history of WPM.

The major marketing effort to launch Crown brand paints is showing extremely promising results and there is tremendous enthusiasm in the Company for the tasks in hand and for the plans and new products ahead. One of the problems we have tackled is the "two-year cycle", which has many disadvantages both in operation and profit planning. The steps already taken, together with the change in the financial year-end to 31 March, will almost completely remove the great difference between successive years. I am hopeful that the current year—the traditional lean one—will result in profits almost equal to the record of 1965-66.

During the year the building products companies—Key Terrain, L. & P. Plastics, Farmiloe Sealants, A. B. Plastics and Burn Brothers, have been formed into a Building Products Division of WPM. It has been a difficult year for Key Terrain which took over Pitch Fibre Pipes of West Hartlepool during the year. The production problems which were inherited with PFP have been solved as anticipated but generally it has been a poor trading year, and a net loss was incurred in contrast to the good profits previously attained. Key Terrain has maintained its share of the market but the substantial reduction in the number of new houses started has cut both turnover and profit margins. The company is well placed, however, to take advantage of a substantial increase in activity which will develop if the Government follows its declared intentions on housing.

Profits of the other companies have increased entirely in accord with expectations, and new products developed by L. & P. Plastics have been particularly successful.

Polycell, which also became a Division of WPM, introduced a number of new products to the market and achieved an excellent increase in profits. Mr. J. W. Maybank was appointed Managing Director of Polycell Holdings Ltd.

During the year a great deal of personnel and organisation development has been achieved, and Messrs. M. K. Collins, R. F. Inch, J. W. Maybank, R. Shand Kydd, J. R. Taylor and L. G. Young were appointed to the main Board of WPM.

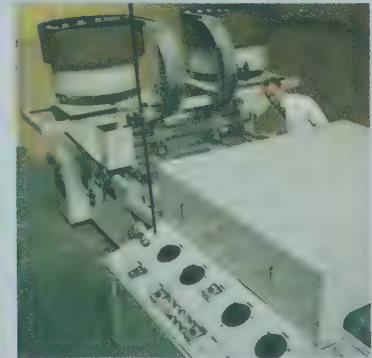
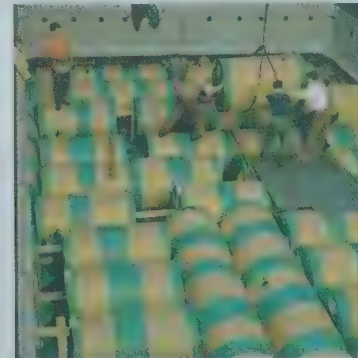
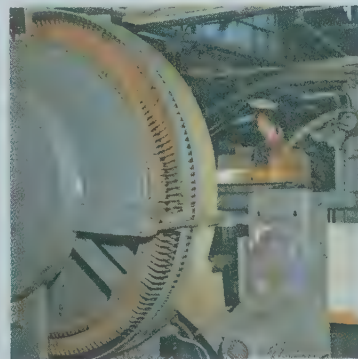
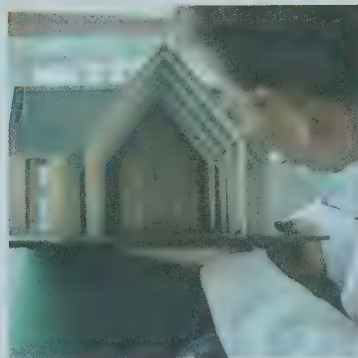
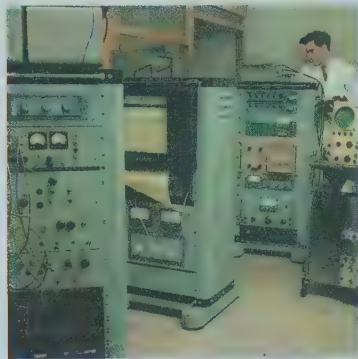
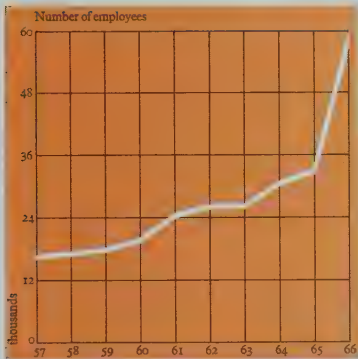
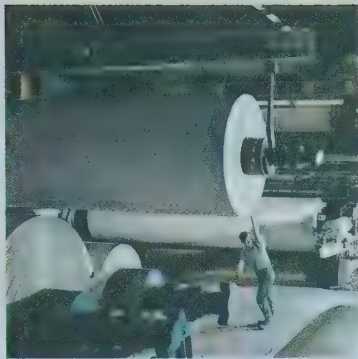
## Overseas

Anglo-Canadian Pulp and Paper Mills made slightly lower profits overall in 1965-66. Earnings included £408,000 profits from a full year of the Acme-Molson Group, compared with £143,000 for four months in the preceding year. These additional earnings, together with higher sales at better prices for kraft products were, however, more than offset by lower sales of newsprint and sulphite pulp, substantial increases in costs of materials and a formidably large national wage award.

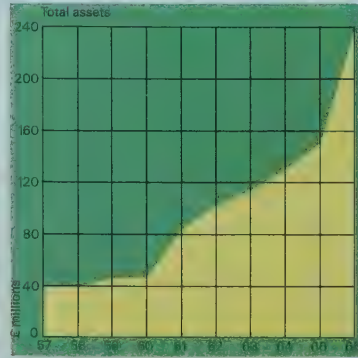
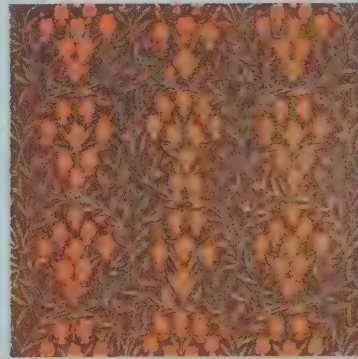
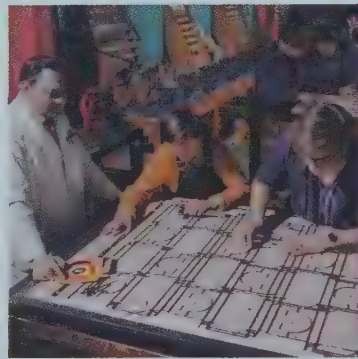
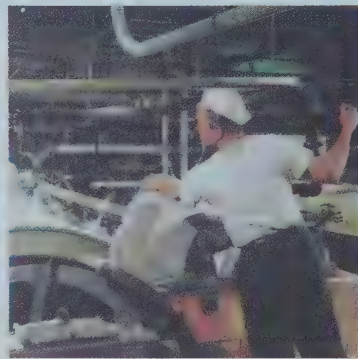
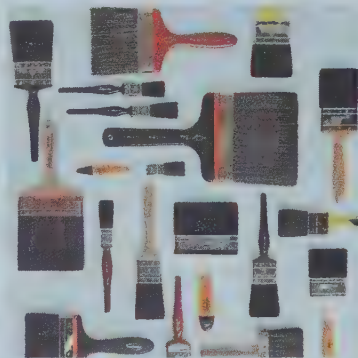
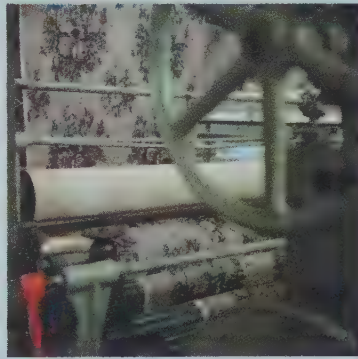
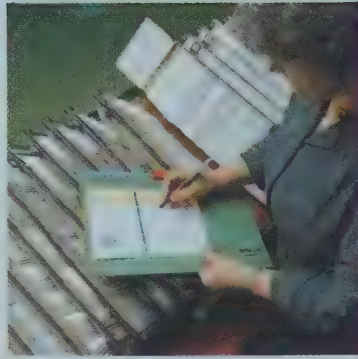
Prince George Pulp and Paper has commenced making pulp and this summer will start up the paper machine. This is an enormous enterprise. That the years of planning and construction should have culminated in production commencing two days ahead of a date settled years ago reflects great credit on those concerned.

Last year I reported to you that the Intercontinental Pulp Company Ltd had been formed and that a











substantial part of its \$70 million cost would be financed in North America. I am glad to tell you that debentures of \$50 million have been placed with North American institutions and most of the money has already been subscribed. The construction of the mill is now going ahead, with start-up planned for 1968.

Canadian Wallpaper Manufacturers, the Dominion Colour Corporation, and the other subsidiary and associated companies in Canada and the USA engaged in the wallpaper and paint trade have had a satisfactory year.

Spicers overseas companies not only maintained the good performance achieved in the previous year but improved upon it. Restrictions imposed by the South African Government on the import of machinery diminished activity and profits there, but higher UK exports and an excellent year in Australia more than offset this disadvantage.

The acquisition of Cowans has added considerably to our merchanting operations in Australia, New Zealand and South Africa. A start has been made with the fusion of Cowan and Spicers in Australia and South Africa, where their operations are complementary. The ultimate integration of these businesses should significantly increase profits above their present high level.

In Australia, Reed Paper Products has had a hard year, with difficult trading conditions in the packaging industry and marked pressure on profit margins. This has reduced net profits. Mr. D. L. Powell-Jones was transferred from UK to become our resident executive responsible for co-ordinating and consolidating our many interests in Australia and New Zealand.

You will see from our Statement of Sales and Profits that only very small profits were achieved from wallpaper, paints and building products in overseas countries other than Canada. This is primarily due to the position in Australia where some companies made losses. Vigorous efforts are now being made to improve the situation, and whilst such tasks take time to accomplish, you may be sure that the Board will not allow the position to drift.

Sande Paper Mill, Norway, has not yet achieved as high a return on the invested capital as we would wish but all Scandinavian mills have been having a difficult time as a result of the import surcharge. The mill is performing well technically and most satisfactory production figures are being maintained.

In my last Annual Report I referred to our efforts to extricate ourselves from our Italian commitments. It was necessary not only to reach agreement with our partners

but also to satisfy Exchange Control requirements. Consent concerning the latter was received on the morning of our last Annual General Meeting so that I was able to inform the shareholders and the press who attended. You will see from the accounts of the Group that in this connection we have written off an amount of £3,241,000 from unappropriated profits. Whilst this is a grievous loss we are convinced that it was preferable to pursuing a mistaken venture.

### Government Policy

Throughout the year has been one of uncertainty on the subject of taxation. The Finance Act 1965 has in practice proved to be as complicated a piece of legislation as it was feared to be in prospect. The transitional provisions, which were of little consolation to the Reed Group, have been found to be so anomalous that many amendments have had to be included in the 1966 Finance Bill. The Government's taxation policy on earnings from overseas investment continues to be misguided.

I made reference last year to the restriction on overseas investment; further curbs have since been added, and the investment dollar, upon which so much enterprise abroad must depend, has reached a prohibitive premium. That this country has a serious balance of payments problem is undeniable, but that present and future invisible earnings should be singled out for the most penal treatment seems to me to be not only unnecessary but most short-sighted.

The 1965 Finance Act included a retrospective element concerning the tax treatment of Loan Stock issued by way of bonus. The effect on your Company was to disallow from April 1966 onwards tax relief on interest paid to shareholders of the WPM Loan Stock. Happily, the Chancellor has now recognised that this would have been inequitable and, accepting representations we have made to him, he has justly made provision in the Finance Bill 1966 which absolves us from this liability.

You will probably want to know how the Selective Employment Tax will affect the Reed Group. The preparation of this statement in advance of the Ministry of Labour Bill makes forecasting little more than guesswork. On present indications it is expected that, having regard to the Group's interest in retailing as well as manufacturing, payments of the tax will slightly exceed the probable refunds and premiums. In addition, the Group will have to bear the burden of the increased costs which the concept of the premium itself envisages.

We have continued to observe the Prices and Incomes



Policy, the aims of which we support. Full realisation of these aims must inevitably take time, but I feel that the Government must be more determined in its efforts and must not shrink from some element of compulsion if drift or capitulation is the alternative, as I fear. Our continued adherence to the Prices Policy, both in respect of products subject to early warning notification and also non-notifiable products, has resulted in our passing on to our customers only the minimum of cost increases and I feel we are therefore justified in asking for close observance of the Incomes Policy. At the same time, we are actively pursuing the third and most important component of the policy—namely, increased productivity.

The temporary import surcharge comes to an end in November of this year. This may adversely affect our UK paper prices and sales. On the other hand, for the last two months of their financial year Anglo-Canadian will benefit from their export of newsprint to this country, on which they are currently bearing part of the surcharge.

### Personnel

Last year I told you of our determination to give great attention to our most precious asset—our enormous family of employees. This we have steadfastly done and, of course, will continue to do. I do not suggest some benevolent paternalism but a good healthy frank business relationship yielding benefits to the Company and to the individual.

There are some members of our Group whose activities are easily overlooked in a review of operating results. They are those who serve in our Group departments and non-operating companies—responsible for our vast raw material procurement; transport; engineering; operational, technical and economic research; secretarial, financial, legal, personnel, training and publicity services . . . not forgetting those who guard our doors, maintain our communications and operate our canteens—all part of our “overheads” and therefore subject to rigorous cost control—but all contributing to the operating results of today and tomorrow.

I said last year that we would begin this year a comprehensive staff development scheme, and we have done so. This is only the beginning of a never-ending task and we will continue to expand and develop the scheme in the years ahead.

The results shown in this report derive from hard and intelligent work, enterprise and imagination, from shop floor, office and management, in many companies throughout the world. I would be neglectful if I did not

thank every one for this co-operative effort. And to those who have joined Reed since my last statement, I welcome you to the Group.

### Future Prospects

We can be certain of one thing in the year ahead—change. Not only will there be changes which we ourselves initiate, but others will be imposed upon us. I have already referred to the fact that in November the import surcharge is to be removed and in January next year the last of the EFTA tariffs will disappear. Neither of these events is unexpected and the effects of both of them are being vigorously assailed by means of long-planned changes.

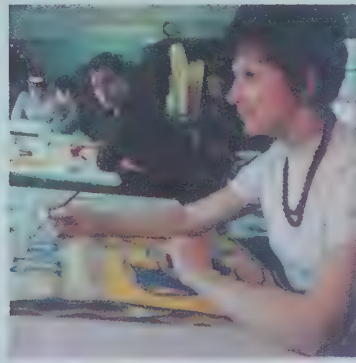
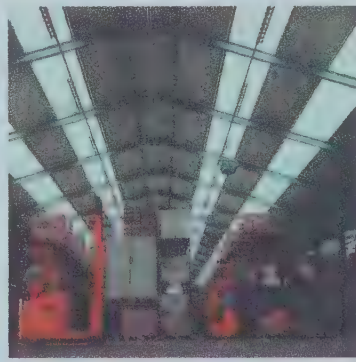
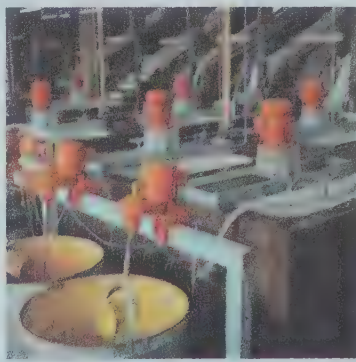
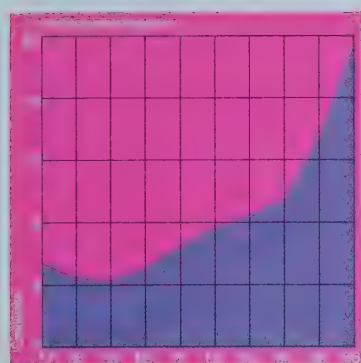
I have also pointed out that the removal of the import surcharge will increase competition at home, although it will assist our Anglo-Canadian mills exporting to this country.

As you know, newsprint prices have been raised throughout the world and this will benefit our UK and Canadian mills. As far as our UK production is concerned, however, the manufacture of newsprint remains only marginally profitable.

Some of the major modifications at our mills to which I have referred are complete but running up to capacity will continue into 1966-67. Other projects are still to be finished and in some instances yet to be started. The programme of major changes will, therefore, continue to dampen our profitability during the current year.

We shall continue the reorganisation of the vast businesses which have joined us in the last year or two, and to integrate them with our other activities. In short, the period ahead is one of consolidation. I am confident that this, together with the development and marketing of new products, will progressively strengthen our position in each of the industries in which we operate. As for actual profits, I must make the reservation that outside circumstances—national economy, taxation and international trading—can, in these times of rapid change, exert a sudden and marked effect on our results. If these influences are reasonably favourable, I expect a steady increase in our profits.







# Group profit and loss account Year ended 31 March 1966

	1966 £'000	1965 £'000
Group sales, excluding inter-company sales	226,114	149,232
Trading profit and all other income	30,556	20,471
Debenture and loan interest	3,452	1,651
Depreciation	7,700	5,499
	11,152	7,150
Profit before taxation (1a)	19,404	13,321
Taxation (4a)	7,174	6,034
Profit after taxation	12,230	7,287
Outside interests in profit of subsidiaries	735	324
Profit attributable to members of the Parent Company (1b)	11,495	6,963
Dividends paid and proposed		
Gross		
4½% Preference shares	67	67
5½% Preference shares	66	66
Ordinary shares		
1965		
Interim 5% on 37,256,742 shares		1,862
Final 12% on 37,256,742 shares		4,471
1966		
1st Interim 5% on 53,319,659 shares	2,666	
2nd Interim 4% on 53,893,429 shares	2,156	
Final 8% on 53,893,429 shares	4,312	
	9,267	6,466
Less		
Income Tax deducted and retained on payments before 6 April 1966	2,026	2,619
	7,241	3,847
Profit for the year retained (3)	4,254	3,116

The figures in brackets above refer to the notes on pages 15 to 20 which form part of these accounts



## Group balance sheet

### 31 March 1966

	1966 £'000	1965 £'000
<b>Fixed assets</b>		
Properties and plant (5)		
At cost or valuation	204,115	124,799
Accumulated depreciation	77,347	57,610
	<u>126,768</u>	<u>67,189</u>
Trade investments (6)		
At cost	7,696	11,582
Amounts written off	—	1,267
	<u>7,696</u>	<u>10,315</u>
	<u>134,464</u>	<u>77,504</u>
<b>Subsidiary companies</b>		
Excess of cost of shares over net book amount of assets at date of acquisition (7a)	63,941	37,486
<b>Current assets</b>		
Stocks (8)	52,399	31,055
Debtors	52,823	31,844
Quoted investments (market value £4,758,000)	2,709	5,026
Bank balances	9,207	4,426
	<u>117,138</u>	<u>72,351</u>
<b>Current liabilities</b>		
Bank advances secured	656	2,331
Bank advances unsecured	31,243	6,395
Bills payable and acceptance credits	4,190	2,574
Creditors and accrued charges	29,136	18,945
Taxation (4b)	8,228	5,770
Dividends	5,622	2,653
	<u>79,075</u>	<u>38,668</u>
	<u>38,063</u>	<u>33,683</u>
	<u>236,468</u>	<u>148,673</u>
<b>Representing:</b>		
<b>Share capital and reserves attributable to members of the Parent Company</b>		
Share capital (9)		
Preference	2,700	2,700
Ordinary	53,893	37,257
	<u>56,593</u>	<u>39,957</u>
Capital reserves (10)	71,858	42,794
Revenue reserves (3)	23,660	24,500
	<u>152,111</u>	<u>107,251</u>
<b>Outside shareholders' interests in subsidiaries</b>	13,709	7,244
<b>Debenture stocks and loans (11)</b>	65,697	34,178
<b>Deferred taxation (4c)</b>	4,951	—
	<u>236,468</u>	<u>148,673</u>

Cecil H. King }  
S. T. Ryder } **Directors**

The figures in brackets above refer to the notes on pages 15 to 20 which form part of these accounts



# Parent Company balance sheet 31 March 1966

	1966 £'000	1965 £'000
<b>Fixed assets</b>		
Properties and plant		
At cost	24,435	23,112
Accumulated depreciation	9,395	8,429
	<u>15,040</u>	<u>14,683</u>
Trade investments		
At cost	2,527	3,711
Amounts written off	—	33
	<u>2,527</u>	<u>3,678</u>
	<u>17,567</u>	<u>18,361</u>
<b>Subsidiary companies</b>		
Shares at cost	144,195	78,520
Advances and current accounts (7b)	36,459	25,600
	<u>180,654</u>	<u>104,120</u>
<b>Current assets</b>		
Stocks (8)	4,684	6,067
Debtors	1,358	1,672
Quoted investments (market value £2,878,000)	849	1,649
Bank balances	1,065	1,499
	<u>7,956</u>	<u>10,887</u>
	<u>206,177</u>	<u>133,368</u>
<b>Current liabilities</b>		
Bank advances unsecured	22,636	5,423
Bills payable and acceptance credits	3,650	2,574
Creditors and accrued charges	4,066	4,386
Taxation (4b)	450	775
Dividends	5,622	2,653
	<u>36,424</u>	<u>15,811</u>
	<u>169,753</u>	<u>117,557</u>
<b>Representing:</b>		
<b>Share capital and reserves</b>		
Share capital (9)		
Preference	2,700	2,700
Ordinary	53,893	37,257
	<u>56,593</u>	<u>39,957</u>
Capital reserves (10)	71,421	42,217
Revenue reserves (3)	12,972	17,318
	<u>140,986</u>	<u>99,492</u>
Debenture stocks and loans (11)	27,829	18,065
Deferred taxation (4c)	938	—
	<u>169,753</u>	<u>117,557</u>

Cecil H. King }  
S. T. Ryder } **Directors**

The figures in brackets above refer to the notes on pages 15 to 20 which form part of these accounts



# Notes on the accounts

1966 £'000      1965 £'000

## 1 Profit and Loss Account

### a) The Profit before taxation takes into account:

#### Income from investments

Trade	412	237
Quoted	257	228
Short term investments	193	289

#### Expenditure

Interest on bank advances and other short term indebtedness	1,632	446
Non-recurrent items	—	189
Auditors' remuneration (Parent Company £10,000)	127	62
Pensions for services as former directors	4	4
Payment to a former executive director upon retirement	20	—
Payment to a former executive director for loss of office	—	28
Amount written off trade investment in Italy	—	310

b) Profit dealt with in the accounts of the Parent Company      2,894      3,074

## 2 Directors' emoluments

### Emoluments of the directors of the Parent Company:

Fees	18	23
Other emoluments	154	150
	<u>172</u>	<u>173</u>

## 3 Revenue reserves

### Unappropriated profits

At 31 March 1965	25,877	17,318
Profit for the year retained	4,254	(499)
Taxation provided in earlier years no longer required	396	288
Deferred taxation for earlier years (Note 4c)	(2,316)	(894)
Loss on disposal of Italian trade investments	(3,241)	(3,241)

At 31 March 1966      24,970      12,972

Less: Exchange Conversion Account (1965 £1,377,000)      1,310      —

Total revenue reserves at 31 March 1966      23,660      12,972



1966 £'000

1965 £'000

#### 4 Taxation

- a) In the Group Profit and Loss Account the charge for taxation, which is based on the profit for the year, comprises:

##### United Kingdom taxation

Corporation tax	5,029	—
Income tax	(768) Cr.	3,367
Profits tax	—	1,323
	<hr/>	<hr/>
	4,261	4,690
Less: Double taxation relief	196	1,068
	<hr/>	<hr/>
	4,065	3,622
Overseas taxation	3,109	2,412
	<hr/>	<hr/>
Total	7,174	6,034
	<hr/>	<hr/>
This total is:		
i) after deducting UK investment allowance relief of	739	965
ii) inclusive of deferred taxation due to accelerated capital allowances of	840	—
	<hr/>	<hr/>

- b) In the Balance Sheet, the liability for taxation consists of:

	Group	Group	Parent	Parent
Current taxation	2,634	3,007	(12)	458
UK corporation tax				
due 1 January 1967	3,959	—	462	—
due 1 July and 1 October 1967	1,635	—	—	—
UK future income tax	—	2,763	—	317
	<hr/>	<hr/>	<hr/>	<hr/>
	8,228	5,770	450	775
	<hr/>	<hr/>	<hr/>	<hr/>

- c) Deferred taxation, shown in the Balance Sheet, represents the deferred liability due to accelerated capital allowances. The amount needed to be set aside at 1 April 1965 has been charged mainly to revenue reserves.

- d) The undistributed profit of overseas subsidiaries would be liable to further taxation if distributed.



## 5 Properties and plant – Group

### Cost or valuation

	Land & buildings		Timber limits	Plant & equip- ment	Total £'000
	Cost	Valuation		Cost	
At 31 March 1965	34,266	2,073	2,708	85,752	124,799
Changes during the year					
Held by subsidiaries on acquisition	9,037	30,854	—	26,873	66,764
Additions	4,989	—	3	10,613	15,605
Disposals	(181)	(772)	—	(2,100)	(3,053)
At 31 March 1966	48,111	32,155	2,711	121,138	204,115

### Accumulated depreciation

At 31 March 1965	12,698	22	1,527	43,363	57,610
Changes during the year					
Accumulated by subsidiaries prior to acquisition	1,728	225	—	11,820	13,773
Charge to Profit and Loss Account	922	324	28	6,426	7,700
Amount provided on disposals	(44)	(17)	—	(1,675)	(1,736)
At 31 March 1966	15,304	554	1,555	59,934	77,347
Book value 31 March 1966	32,807	31,601	1,156	61,204	126,768

Land and buildings include leaseholds which represent 6% at cost and 16% at valuation. The remainder are all freehold. The valuations have been made since 1956.

Accumulated depreciation includes amounts set aside by subsidiaries before their acquisition.

No depreciation has been provided on certain freehold and 999 year leasehold commercial properties (at cost or valuation £13,436,000) and on land. For all other properties and plant, depreciation has been provided on a basis that will write off the book value of these assets within their expected life.

The amount included above for additions is after deducting £454,000 for the estimated amount of investment grants receivable in accordance with the UK Government's recent proposals.

## 6 Trade investments – Group

	Group equity interest %	Country	Book value 1966	Book value 1965
Prince George Pulp & Paper Ltd	50	Canada	4,232	4,215
Tasman Pulp & Paper Co. Ltd	17	N. Zealand	1,495	1,495
Kimberly-Clark Ltd	33	UK	835	835
Miscellaneous			1,134	871
Italian investments			—	2,161
The 1965 book value is after deduction of £1,234,000 written off			—	738
The Wall Paper Manufacturers Ltd (now a subsidiary)			7,696	10,315



1966 £'000    1965 £'000

## 7 Subsidiary companies

### a) Excess of cost of shares over net book amount of assets at date of acquisition

At 31 March 1965 37,486

### Changes during the year

#### On acquisitions

The Wall Paper Manufacturers Ltd 16,330

Polycell Holdings Ltd 9,952

Others (432)

#### On acquisitions in previous years

Deferred taxation at date of acquisition 605

At 31 March 1966 63,941

### b) Advances and current accounts

Amounts due from subsidiaries 45,763 34,678

Amounts due to subsidiaries (9,304) (9,078)

36,459 25,600

## 8 Stocks

The amounts included for stocks have been determined on bases and by methods of computation which have been applied consistently and which are considered appropriate in the circumstances of the business of each Group company.

## 9 Share capital

4½% Cumulative Preference Shares of £1 each, redeemable on three months notice

1,500 1,500 1,500

5½% Cumulative Preference Shares of £1 each, redeemable not earlier than 31 March 1976

1,200 1,200 1,200

Ordinary Shares of £1 each

53,893 53,893 37,257

Unclassified Shares of £1 each

2,732 — —

59,325 56,593 39,957

## 10 Capital reserves

### Share premium account

At 31 March 1965

42,033 42,026

Premiums on ordinary shares issued on acquisition of subsidiaries

The Wall Paper Manufacturers Ltd – 15,920,060 shares

28,258 28,258

K.L. Holdings Ltd – 573,770 shares

1,147 1,147

The Trade Loose Leaf Co. Ltd – 142,857 shares

205 205

Share issue expenses

(264) (264)

Debenture discount and issue expenses

(161) (160)

At 31 March 1966

71,218 71,212

### Other capital reserves

At 31 March 1965

761 191

Surplus on disposal of fixed assets

55 —

Debenture redemption discount

18 18

Debenture discount and issue expenses of a subsidiary

(186) —

Change in composition of a subsidiary

(8) —

At 31 March 1966

640 209

### Total capital reserves at 31 March 1966

71,858 71,421



		Sinking fund or redemption requirements	Group 1966 £'000	Group 1965 £'000	Parent 1966 £'000	Parent 1965 £'000
<b>11 Debenture stocks and loans</b>						
<b>Secured</b>						
<b>Stocks with cumulative sinking funds</b>						
3½% First Mortgage Debenture Stock 1956/91	*1966	£11,000	326	345	326	345
4½% Debenture Stock 1979/84	*1966	£26,000	1,425	1,450	1,425	1,450
5¾% Debenture Stock 1983/88	*1969	£35,000	2,500	2,500	—	—
6% Debenture Stock 1979/84	*1966	£73,000	4,802	4,920	4,802	4,920
6½% Debenture Stock 1983/88	*1968	£10,000	750	—	—	—
6¾% Debenture Stock 1987/92	*1968	£41,000	5,000	5,000	5,000	5,000
7¼% Debenture Stock 1987/92	*1971	£99,000	10,000	—	10,000	—
<b>Other loans</b>						
4% Debenture Stock	None		1,029	—	—	—
4½% Swiss Franc Loan 1972/77	1977 in full		4,122	4,119	4,122	4,119
5½% Dutch Florin Loan 1973/77	1968/77 £197,000 p.a.		1,974	1,991	1,974	1,991
6½% Mortgage Debenture Stock 1978/83	1983 in full at 101		650	—	—	—
7½% First Mortgage Stock	1977 in full		399	—	—	—
Miscellaneous			1,259	574	—	—
			34,236	20,899	27,649	17,825
<b>Unsecured</b>						
<b>Stocks with sinking funds</b>						
4¾% Sinking Fund Debenture Stock 1974	1966/69 £232,000 p.a. 1970/73 £283,000 p.a. 1974 £992,000		3,052	3,187		
5% Sinking Fund Debenture Stock 1984	1966/70 £36,000 p.a. 1971/75 £71,000 p.a. 1976/80 £107,000 p.a. 1981/84 £179,000 p.a.		1,785	1,780		
6% Debenture Stock 1966/71	1966 £150,000 1971 £498,000		648	779		
6¼% Sinking Fund Debenture Stock 1978	1966/67 £34,000 p.a. 1968/72 £83,000 p.a. 1973/78 £166,000 p.a.		1,478	1,507		
6½% Sinking Fund Debenture Stock 1985	1966/70 £166,000 p.a. 1971/75 £249,000 p.a. 1976/80 £332,000 p.a. 1981/85 £416,000 p.a.		5,814	—		
<b>Other loans</b>						
5% Loan	1966, and after, minimum of £60,000 p.a.		1,963	2,091		
7% Loan Stock 1985/90	1971/90 £813,000 p.a.		16,260	—		
Interest free loans			—	3,576		
Miscellaneous			461	359	180	240
			31,461	13,279	180	240
			65,697	34,178	27,829	18,065

\*Current or initial annual repayment increasing annually by interest on repayments



## 12 Capital commitments

Commitments in respect of contracts for capital expenditure amount to approximately £5,100,000 (1965 £5,250,000) for the Group including £1,100,000 (1965 £1,650,000) for the Parent Company after deducting investment grants of £450,000 for the Group and £220,000 for the Parent Company. In addition the Group has a commitment in respect of a trade investment in Intercontinental Pulp Company Ltd of £2,500,000. (Note 15b)

## 13 Date of accounts

For administrative convenience the accounts of the Parent Company and of all United Kingdom subsidiaries, with the exception of Alex. Cowan & Sons Ltd, are made up to 3 April 1966.

The balance sheet of Alex. Cowan & Sons Ltd at 30 September 1965 has been used for consolidation purposes and the profit for the period from 30 December 1965, the date of acquisition, to 3 April 1966 has not been included.

The Group Profit and Loss Account for the year ended 31 March 1966 includes the results of the Group activities for the following periods:

The Wall Paper Manufacturers Ltd and its UK subsidiaries  
Period from 1 April 1965, the date of acquisition, to 3 April 1966

Polycell Holdings Ltd and its UK subsidiaries  
Period from 25 May 1965, the date of acquisition, to 3 April 1966

Parent Company and other UK subsidiaries  
53 weeks ended 3 April 1966

Overseas subsidiaries  
Year ended, or from date of acquisition to, 31 December 1965

The financial years of overseas subsidiaries ended 30 June 1965 or 31 December 1965. The Directors consider that there are good reasons for not changing these dates. In the case of subsidiaries whose year ended 30 June 1965, the Board of Trade has consented to the inclusion in these Group Accounts of special audited accounts taken to 31 December 1965.

## 14 Basis of conversion of overseas currencies into sterling

Balance Sheets – rates ruling at 31 March 1966

Group Profit and Loss Account – appropriate average rates

## 15 Contingent liabilities

a) Prince George Pulp & Paper Ltd, an associated company in which the Group holds 50% of the equity share capital and subordinated debentures as a trade investment, is constructing a pulp and paper mill at Prince George, British Columbia, which will commence production in the summer of 1966. The principal, premium (if any) and interest in respect of US \$25 million and Can. \$30 million Mortgage Bonds issued by the company have been guaranteed jointly and severally by the Parent Company, by a wholly owned Canadian subsidiary and by Canadian Forest Products Ltd (CFP), the holders of the remaining 50% equity interest. The subsidiary and CFP have also jointly and severally undertaken to ensure that adequate finance will be available for the construction and bringing into operation of the mill.

b) Intercontinental Pulp Co. Ltd, an associated company in which the Group will hold 37½% of the equity share capital and subordinated debentures as a trade investment, is constructing a pulp mill adjacent to the Prince George mill, which is expected to commence production in 1968. The principal, premium (if any) and interest in respect of the US \$36.5 million and Can. \$13.5 million Mortgage Bonds issued by the company have been guaranteed jointly and severally by the Parent Company, by a wholly owned Canadian subsidiary and by CFP which will hold a further 37½% of the equity interest.

The subsidiary and CFP have also jointly and severally undertaken to ensure that 75% of the necessary finance will be available for the construction and bringing into operation of the mill. Feldmuehle AG, the other participant in the company, has given similar undertakings regarding the remaining 25%.

c) The Parent Company may be required to issue a maximum of 140,423 Ordinary shares credited as fully paid to the vendors of the shares in a subsidiary.

d) The Parent Company has guaranteed the bank overdraft of an associated company, in which a trade investment is held, to the extent of £1.0 million.

e) The Parent Company has guaranteed loans and overdrafts of certain wholly owned overseas subsidiaries amounting to £5.9 million.

f) In the event of the liquidation of an insurance company, of which part of the share capital is held by the Parent Company as a trade investment, there is a contingent liability to make a payment equal to 40% of any deficiency of the general insurance fund met out of any surplus assets of the annuity fund.



## Report of the auditors

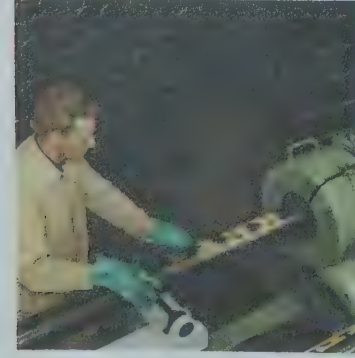
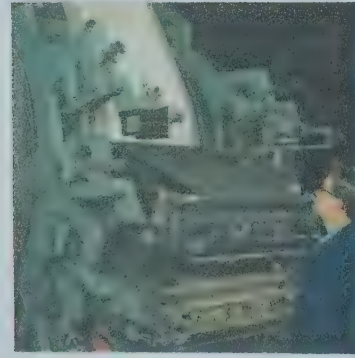
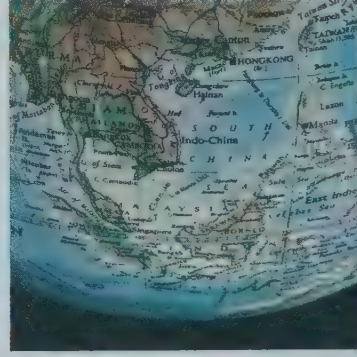
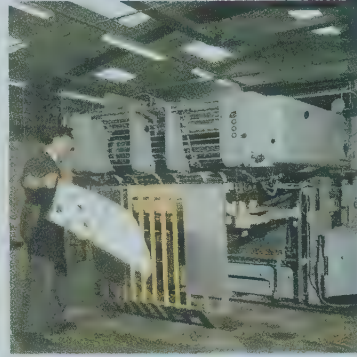
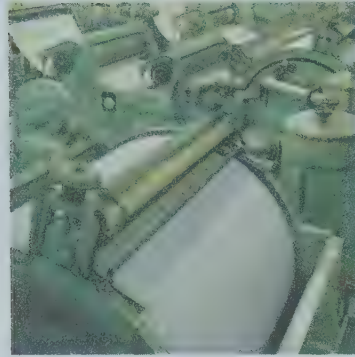
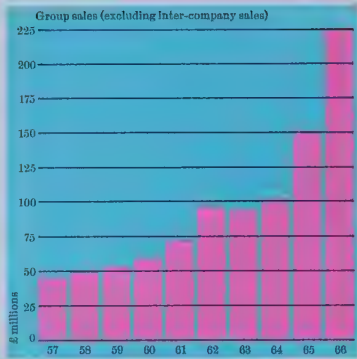
### To the Members of Reed Paper Group Limited

We have examined the annexed Balance Sheet of the Company and have obtained the information and explanations which we required. In our opinion, the Company has kept proper books and the Balance Sheet, which is in agreement therewith, complies with the Companies Act, 1948, and gives a true and fair view of the state of affairs of the Company.

We have also examined the annexed Group Accounts incorporating the accounts of some subsidiaries audited by other firms. In our opinion these Group Accounts comply with the Companies Act, 1948, and give a true and fair view of the state of affairs and of the profit of the Group so far as concerns members of the Company and so far as is practicable in view of the fact that the accounts of certain subsidiaries are taken to 31 December 1965.

J. H. Champness, Corderoy, Beesly & Co.  
Chartered Accountants

10 St Swithin's Lane, London EC4  
31 May 1966





# Group statistics 1957-1966

Year ended 31 March	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957
	£ millions									
Group sales, excluding inter-company sales	226.1	149.2	101.5	92.8	95.0	71.4	58.0	52.7	49.8	45.9
Profit before charging depreciation and taxation	27.1	18.8	14.2	12.8	11.8	9.1	7.0	6.0	5.8	6.7
Depreciation	7.7	5.5	4.6	4.3	4.0	2.5	1.8	1.7	1.3	1.0
Taxation	7.2	6.0	4.7	3.9	3.7	2.8	1.9	1.8	2.2	2.7
Profit after taxation	12.2	7.3	4.9	4.6	4.1	3.8	3.3	2.5	2.3	3.0
Profit attributable to members of the Parent Company	11.5	6.9	4.6	4.4	3.9	3.7	3.3	2.5	2.3	3.0
Dividends	*9.3	3.8	3.3	2.9	2.9	2.0	1.6	1.4	1.3	1.5
Retained profits	4.2	3.1	1.3	1.5	1.0	1.7	1.7	1.1	1.0	1.5
Expenditure on fixed assets	15.6	9.8	5.1	6.9	8.0	3.6	3.4	2.8	6.5	5.5
Total assets less current liabilities	236.5	148.7	129.7	113.7	101.7	83.4	47.7	46.2	39.9	39.0
Share capital	56.6	39.9	36.7	31.7	30.6	25.8	17.8	17.8	17.5	17.5
Reserves	95.5	67.2	58.0	49.2	48.5	40.1	22.5	20.9	19.8	18.8
Loan capital	65.7	34.2	30.9	28.6	18.3	13.7	7.4	7.5	2.6	2.7
*1966 Gross following change in UK Company tax structure										
	thousands									
Number of shareholders	57.5	29.9	27.5	22.6	22.5	22.0	16.8	16.3	15.9	15.4
Number of employees	55.1	27.7	25.7	22.1	22.1	20.3	16.7	15.1	14.4	14.0

Analysis of Group sales 1966			Group sales and profit 1966				
			Sales		Profit		
(excluding inter-company sales)	%		£ millions	%	£ millions	%	
Pulp	3		United Kingdom companies				
Printing papers and stationery	15		Paper and packaging	135.2	49	9.2	39
Newsprint	10		Wallpaper, paint & building products	73.7	27	7.9	33
Wrapping papers	11			208.9	76	17.1	72
Packaging products	26		Overseas companies				
Wallpaper	14		Canada				
Paint and building products	12		Pulp, paper and packaging	32.9	12	4.9	21
Miscellaneous	9		Wallpaper, paint & building products	5.4	2	.5	2
Total	100		Other				
Breakdown of £1 Sales 1966			£	s	d		
Raw materials, fuel and power	9	8	Paper and packaging	20.4	8	.9	4
Wages, salaries and pensions	4	6	Wallpaper, paint & building products	6.7	2	.2	1
Depreciation		8		274.3	100	23.6	100
Other costs	3	5	Less:				
Taxation		8	Inter-company sales	48.2		—	
Dividends		8	Interest paid less investment income	—		4.2	
Retained in business		5		226.1		19.4	
Total	1	0 0					

# Reed Paper Group Limited

## Reed Paper and Board (UK) Ltd

Aylesford Paper Mills  
Aylesford, Kent

The Darwen Paper Mills Co. Ltd  
Darwen, Lancashire

Empire Paper Mills Ltd  
Greenhithe, Kent

Hollins Paper Mill  
Darwen, Lancashire

\*The Imperial Paper Mills Ltd  
Gravesend, Kent

The London Paper Mills Co. Ltd  
Dartford, Kent

Reed Board Mills (Colthrop) Ltd  
Thatcham, Berkshire

Spicers Board Mills Ltd  
Retford, Nottinghamshire

Sun Paper Mill  
Feniscowles, Lancashire

Tovil & Bridge Mills  
Tovil, Kent

Edward Towgood & Sons Ltd  
Sawston, Cambridge

Reed Paper and Board Sales Ltd  
London. Birmingham. Bristol. Glasgow. Leeds. Manchester

---

Alex. Cowan & Sons Ltd  
Penicuik, Midlothian. Edinburgh. Ledbury, Herefordshire.  
London

Cowan & Sons (Paper Sales) Ltd  
London. Belfast. Birmingham. Bristol. Edinburgh. Glasgow.  
Leeds. Leicester. Liverpool. Manchester. Newcastle upon Tyne.  
Nottingham

## Spicers Ltd

Merchanting Division

B. Fenton Ltd  
Walsall, Staffordshire

A. W. Gough & Co. Ltd  
Birmingham

Ihlee & Sankey Ltd  
London. Birmingham. Glasgow. Manchester

R. H. Robinson & Co. Ltd  
Stockport, Cheshire

Spicers (Merchanting) Ltd  
London. Belfast. Birmingham. Bristol. Cardiff. Glasgow. Leeds.  
Leicester. Manchester. Newcastle upon Tyne. Sheffield

Stationery Division

Spicers (Stationery) Ltd  
Sawston, Cambridge. Belfast. Birmingham. Bristol. Cardiff.  
Glasgow. Leeds. Leicester. London. Manchester. Newcastle  
upon Tyne. Sheffield

Thorburn Bain & Co. Ltd  
London

The Trade Loose Leaf Co. Ltd  
Birmingham

Converted Products Division

Coated Specialities Ltd  
Basildon, Essex

Dispro Ltd  
Harrow, Middlesex. Leeds

Percy Boyden & Co. Ltd  
Croydon, Surrey

Spicer-Hallfield Ltd  
Bradford, Yorkshire. Haddenham, Buckinghamshire

Spicers Ltd (Specialities)  
Loughton, Essex

Other United Kingdom Companies

Alacra Ltd  
London

Hamlin Press Ltd  
London

Recorder Charts Ltd  
London

R. Sculthorp & Co. Ltd  
London

Spicers (Export) Ltd  
London

Overseas Branches:  
Argentina. Canada. Ceylon. Hong Kong.  
Kenya. Malaysia. Nigeria. Philippines. Singapore

Spicers (Engineering) Ltd  
London

Spicers Garages Ltd  
London

\*Deferred shares are not held by the Group



**The Wall Paper Manufacturers Ltd**

**Wallpaper Division**

Gosport  
Gosport, Hampshire

Holmes Chapel  
Holmes Chapel, Cheshire

F. W. Howarth  
Manchester

Kinder, Walker, Carver  
Salford, Lancashire

Lees Paper Staining  
Oldham, Lancashire

Lightbown Aspinall  
Stockport, Cheshire

Oldham Paper Staining Co. Ltd  
Oldham, Lancashire

C. & J. G. Potter  
Darwen, Lancashire

Relief Decorations  
Darwen, Lancashire

Shand Kydd Ltd  
Christchurch, Hampshire

Smith & Butler  
Leeds

**Sanderson Division**

Arthur Sanderson & Sons Ltd  
Showroom:  
Berners Street, London W1  
Factories:  
Greenford, Middlesex. Uxbridge, Middlesex

The Blandola Co. Ltd  
Whaley Bridge, Derbyshire

Dawes & Co. (Nelson) Ltd  
Nelson, Lancashire

Rigg Holdings Ltd. 74 %  
Bridlington, Yorkshire

Turnbull & Stockdale Ltd  
Ramsbottom, Lancashire

**Paint Division**

T. & W. Farmiloe Ltd  
Greenford, Middlesex

Smith & Waiton Ltd  
Haltwhistle, Northumberland

The Walpamur Co. Ltd  
Darwen, Lancashire

Wellington Industrial Finishes Ltd  
Woodley, Cheshire

**Marketing Division**

John Line & Sons Ltd

Wall Paper Stores Ltd

Walpamur Distributors Ltd

**Technical Division**

The Belgrave Engraving Co. Ltd  
Darwen, Lancashire

James Ferguson & Sons Ltd  
London. Ampthill, Bedfordshire

Garner & Bennett (Leeds) Ltd  
Leeds

Micafine Ltd  
Derby

Research Establishment  
Wilmslow, Cheshire

Timperley Engineering (WPM) Ltd  
Cheshire

WPM Colour & Adhesives Co. Ltd  
Irlam, Lancashire

**Polycell Division**

Alabastine (Holdings) Ltd  
London

Chadwick Hollins Ltd  
Waltham Cross, Hertfordshire

Liverpool Adhesive Paste Co. Ltd  
Liverpool

Polycell Ceramics Ltd  
Penketh, Lancashire

Polycell Manufacturing Co. Ltd  
Welwyn Garden City, Hertfordshire

Polycell Products Ltd  
Welwyn Garden City, Hertfordshire

**Building Products**

A. B. Plastics Ltd  
Orpington, Kent

Burn Brothers (London) Ltd  
Orpington, Kent

Farmiloe Sealants Ltd  
Larkfield, Kent

Key Terrain Ltd  
Larkfield, Kent

L. & P. Plastics Ltd  
Larkfield, Kent

All the equity is held by the Group unless otherwise stated

Packaging

Field, Sons & Co. Ltd  
Bradford, Yorkshire. Killingworth, Co. Durham.  
Thatcham, Berkshire

Questron Industries Ltd  
Bradford, Yorkshire

Reed Corrugated Cases Ltd  
Birmingham. Cambridge. Edinburgh. Lydbrook, Gloucestershire.  
New Hythe, Kent. Thatcham, Berkshire. Tovil, Kent.  
West Hartlepool. Wigan. Warrenpoint, Northern Ireland

Reed Medway Sacks Ltd  
Larkfield, Kent

Reed Polyfilms Ltd  
Spondon, Derbyshire

Service Companies

Reed Buying Services Ltd  
London

Reed Development Services Ltd  
London

Reed Engineering Services (UK) Ltd  
Larkfield, Kent

Reed Transport Ltd  
Gravesend, Kent. Larkfield, Kent. London.  
Thatcham, Berkshire. Wigan

Sheldons Engineering Works Ltd  
Wells, Somerset

United Kingdom

Bowater Reed New Zealand Ltd, 50%  
Kimberly-Clark Ltd, 33%  
J. & J. Maybank Ltd, 50%  
The Publishers & General Insurance Co. Ltd, 36%  
The Southern Paper Stock Co. Ltd, 50%

Australia

Southern Cross Manufacturing Co. Ltd, 41%

Canada

Intercontinental Pulp Co. Ltd, 38%  
Prince George Pulp & Paper Ltd, 50%  
Textile & Paper Waste Sales Ltd, 48%

New Zealand

Ashley Wallpapers Ltd, 42%  
E. H. Lund & Co. Ltd, 49%  
Tasman Pulp & Paper Co. Ltd, 17%



Australia

E. C. Blackwood Pty Ltd, 62%  
Percy Boyden (Australia) Pty Ltd  
Cardbox Pty Ltd, 62%  
Alex. Cowan (Australia) (Pty) Ltd  
Craftsman Plates Pty Ltd, 37%  
Colin Martyn Pty Ltd, 62%  
Priest Brothers Pty Ltd, 62%  
Recorder Charts (Australia) Pty Ltd  
Reed (Australia) Pty Ltd  
Reed & Associates Pty Ltd  
Reed Paper Products (Holdings) Ltd, 62%  
Reed Paper Products Pty Ltd, 62%  
Reed Paper Products (Victoria) Pty Ltd, 62%  
Smith & Walton (Australia) Pty Ltd  
Spicers (Australia) Pty Ltd  
E. E. Sturgess & Sons Pty Ltd, 62%  
Henry Trompf & Co. Pty Ltd  
The Walpamur Co. (Australia) Ltd  
Wallpaper Decoration Pty Ltd  
Arthur G. Wilson Pty Ltd, 86%

Belgium

Papiers A Diagrammes A Richelle SA  
Polyfilla, SA  
The Walpamur Co. Belgium SA

Canada

Acme Paper Products Co. Ltd, 96%  
Acme Paper Products Inc. 96%  
Anglo-Canadian Pulp and Paper Mills Ltd, 96%  
Anglo Paper Products Ltd, 96%  
Bersimis Air Transport Ltd, 96%  
The Bersimis Mining Co. 96%  
The Canadian Wallpaper Manufacturers Ltd, 65%  
Crown Diamond Paint Co. Ltd  
The Dominion Colour Corporation Ltd, 65%  
Dryden Chemicals Ltd, 96%  
Dryden Paper Co. Ltd, 96%  
Empire Wallpaper & Paint Ltd, 65%  
Forestville Realities Ltd, 96%  
Gulf Power Co. 51%  
Gulf Pulp & Paper Co.  
Inter Provincial Bag Ltd, 96%  
Lignosol Chemicals Ltd, 96%  
Molson Bag & Paper Co. Ltd, 96%  
Quebec Containers Ltd, 96%  
Reed Paper Group Canada Holdings Ltd  
Reed Paper Group Canada Ltd  
Arthur Sanderson & Sons (Canada) Ltd  
Seabrook-Harris Paper Products Co. Ltd, 96%  
St Charles Transportation Co. Ltd, 96%  
Sterling Paper Products (Ontario) Ltd, 96%  
Superior Gummed & Waxed Paper Ltd, 96%  
Woods-Dryden Paper Bags Ltd, 96%

France

Polyfilla SARL

Germany

Key Rohr GmbH

Holland

NV Alabastine Holland  
Polyfilla NV  
Reed (Nederland) NV

Kenya

The Walpamur Co. (EA) Ltd

New Zealand

Alex. Cowan & Sons (NZ) Ltd  
Polycell Decorating Products Ltd

Norway

Sande Paper Mill A/S, 51%

Rhodesia

Spicers (CA) (Private) Ltd

South Africa

Alex. Cowan & Sons (SA) (Pty) Ltd  
Polycell Products SA (Pty) Ltd  
Recorder Charts (SA) Pty Ltd  
Smith & Walton (SA) (Pty) Ltd  
Spicers (SA) Ltd  
The Walpamur Co. (Pty) Ltd

Southern Ireland

Spicers (Ireland) Ltd  
The Walpamur Co. (Ireland) Ltd

Switzerland

Reed (Services) AG  
Reed Technical Services AG

United States of America

Anglo-Southern Paper Corporation, 96%  
The Birge Co. Inc. 65%  
W. H. S. Lloyd Co. Inc.  
Montmorency Paper Co. Inc. 96%  
J. H. Thorp & Co. Inc.

All the equity is held by the Group unless otherwise stated

Paper: Reed Aerokardus s/o DC 65 lb 500  
Cover lamination: Dispro Limited  
Design: Crosby/Fletcher/Forbes  
Printing: The Baynard Press London SW9









Page 8

Printing the outer ply of a multiwall paper sack at Reed Medway Sacks Limited	Making a roller to print fabrics—there will be one for each colour	Wallpaper being wound into 11-yard rolls	Checking stock control records at a branch of Spicers, Europe's largest paper merchants
Spicers London warehouse at Battersea holds 3000 tons of stock and 5000 different lines	Making litho plates for printing cartons at a Field, Sons & Company factory	After printing, fabrics are washed	Waxing bread wrapping paper at Spicers (Australia) Pty. factory
Filling cans of paint at the Australian Walpamur factory	Chadwick Hollins make nearly 200 different brushes for painters and decorators	Filling a digester at Anglo-Canadian Pulp & Paper Mills, Quebec, with wood chips	The main control panel of an electronic inspecting machine at a Cowan mill
Forestville harbour and loading plant, Canada	Thickening the consistency of the pulp before papermaking at Quebec	A carton cutting and creasing forme being made up	Art Nouveau fabric design from Sanderson
Printing plastic tubes for Instant Polyfix	The Group's Total Assets	Forming sacks from reels of paper at Reed Medway Sacks Limited, Larkfield	A Cowan beaterman adding dye

Page 11

Profits before Taxation	Choosing wallpaper in a John Line showroom	A battery of carton printing machines at a Reed Paper Products factory in Australia	Planning production at a carton factory
Producing envelopes at 600 per minute at Spicers new envelope plant, Sawston, Cambridgeshire	Polycell pottery-glazed tiles	Timber destined for Prince George Pulp and Paper Mill, Canada	A can-filling line at a WPM Paint Division factory
Unloading pulpwood into the Wabigoon River at Dryden	Photo-composing a continuous stationery form at Alacra's London factory	Mixing colours at WPM's C. & J. G. Potter wallpaper factory	There are two miles of shelving at Spicers Birmingham warehouse
An automatic screen printing machine for fabric	Key pitch fibre pipe being extracted from a bitumen impregnating vessel	A reel of base paper is loaded on to the trailing blade machine at Imperial Paper Mills, Kent	A colourful design on a paper sack is a valuable sales aid
Esparto grass being fed into a boiler	Checking register of continuous stationery forms on one of Alacra's 3-colour presses	Part of the Dryden Chemicals Limited plant	Drop-testing paper sacks

Page 22

Laminating oriented polypropylene to printed material at Dispro's new factory	Group Sales	A Polycell production line	Every inch of Sanderson fabric is examined before despatch
Hand priming Farofoam pads at Farmiloe Sealants Limited, before shaping	Key Terrain PVC drainage components being injection moulded by L. & P. Plastics	Crown wallpaper with an oriental influence in bright modern colours	Hand stitching an order of corrugated cases
Modern pulp machines at Gulph Pulp Mill, Canada	Checking a sheet of cartons during a 4-colour printing run at a Field factory	The power house at the new Prince George Pulp and Paper Mill, Canada	The Group has important interests in the Far East
Printing Crown wallpaper at WPM's Potters Branch	After the bark is removed pulpwood is stored for the winter	An operator at Imperial Paper Mills, Kent, checking the trailing blade coating machine	Production characteristics can be simulated on miniature machines to facilitate experiments
Pitch fibre pipe is tapered for dry jointing	Making board at the new Lydbrook factory of Reed Corrugated Cases Limited	Inspecting and counting in a paper mill salle	Guillotining paper for stock at a Spicers warehouse



